

Louisiana Insurance Rating Commission



J. ROBERT WOOLEY  
Commissioner of Insurance  
Chairman

LOUISIANA  
BULLETIN 04-01  
June 24, 2004

LSA-R.S. 22:2  
LSA-R.S. 22:1401  
LSA-R.S. 22:1404  
LSA-R.S. 22:1407

**NOTICE TO ALL PROPERTY & CASUALTY INSURERS  
LICENSED AND/OR DOING BUSINESS IN LOUISIANA**

**RE: Schedule Rating Plans  
Revision of LIRC Bulletin 93-01  
Withdrawal of LIRC Bulletin 93-03**

Please be advised that the schedule rating section of *Bulletin LIRC 93-01* is hereby revised, and *LIRC Bulletin 93-03* is hereby withdrawn.

The purpose of this Bulletin is to inform all property and casualty insurers currently using an approved schedule rating plan or planning to file a schedule rating plan with the Louisiana Insurance Rating Commission ("the LIRC") that the LIRC has adopted new criteria it will use for reviewing such plans.

By law each insurer must file their schedule rating plan (See LSA-R.S. 22:1401 et seq.)<sup>1</sup>

The LIRC will consider for approval all reasonable schedule rating plans. Please take note that proposed debits or credits must be adequately supported with credible data and must not produce inadequate, excessive, or unfairly discriminatory rates. (LSA-R.S. 22:1402 and 1404(3)(b).)

In determining whether a schedule rating plan is reasonable, the LIRC will give consideration to the following:

1. A minimum qualifying premium that is reasonable for the risk classification.
2. A reasonable number of scheduled characteristics.

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<sup>1</sup> Information regarding filing options can be found in the Office of Property & Casualty's Rate Filing Handbook <http://www.lds.state.la.us/Insurers/RateFilingHandbook0703.pdf>.

3. A 10% maximum debit or credit per scheduled characteristic.
4. A 25% maximum aggregate debit or credit across all scheduled characteristics.

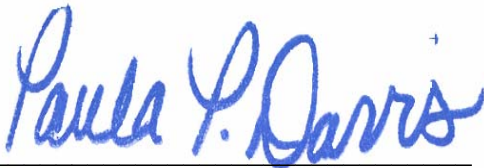
If an insurer follows the guidance of a Louisiana approved rating organization's schedule rating plan, no additional support need be filed<sup>2</sup>.

The LIRC reserves its right, as authorized by LSA-R.S. 22:1407, to request more specific information or to verify data in connection with any filing.

If there are questions regarding this Bulletin, contact Barita Morgan at 225-342-5213 or [bmorgan@ldi.state.la.us](mailto:bmorgan@ldi.state.la.us).

#### LOUISIANA INSURANCE RATING COMMISSION

BY:



Paula Pellerin-Davis  
Deputy Commissioner  
Office of Property & Casualty  
Louisiana Department of Insurance

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<sup>2</sup> An example of an approved rating organization's schedule rating plan would be the Insurance Services Offices's ("the ISO") Multi-State Schedule Rating Plan.